FLEXCARD ALLOCATION MODULE
MANUAL AND PROCEDURES

This FlexCard Allocation Module Manual is organized into two sections:

I. A description of the main FlexCard Allocation Module screens, their features and how to best employ the resources that they provide.

II. Procedures for accomplishing the various allocation and approval processes that Allocators and Reviewers need to perform using the FlexCard Allocation Module.

The Table of Contents follows.
TABLE OF CONTENTS

I. FLEXCARD ALLOCATION MODULE SCREENS

A. Transactions – Cardholder Summary Screen  p. 5
  Higher Level Record Status/Selection Fields
  Card Level Status/Selection Fields
  Window Display Options

B. Transaction Review Screen  p. 9
  Card Level Information
  Transaction Level Information
  Action Buttons

C. Transaction Allocation Screen  p. 15
  Transaction Level Information
  LAFSO (Location-Account-Fund-Sub-Object Code)
    Level Information
  Action Buttons

II. FLEXCARD ALLOCATION MODULE PROCEDURES

A. Logging onto the FlexCard Allocation Module  p. 19

B. Selecting a Card (Cardholder)  p. 20

C. Processing Transactions on the Transaction Review Screen
  1. Viewing a Transaction  p. 22
  2. Adding a Comment or Dispute to a Transaction  p. 23
  3. Approving a Transaction  p. 25
  4. Approving Multiple Transactions  p. 27
  5. Adjusting the Freight Amount for a Purchase Made
     with an Out-of-State Merchant  p. 28
  6. Adjusting the Non-Taxable Subtotal for a Purchase
     Made with an Out-of-State Merchant  p. 30

D. Processing Transactions on the Transaction Allocation Screen
  7. Changing an Object Code  p. 35
  8. Changing an Entire LAFSO
     (Location-Account-Fund-Sub-Object Code)  p. 38
9. Split-Funding a Transaction
   (Use the “Clone a Line” Feature)  p. 40
10. Deleting an Expense Distribution Line
    (Use the “Delete Line(s)” Feature)  p. 43

E. Processing Transactions on both the Transaction Review and Allocation Screens  p. 44

F. Resetting the Status of an Allocated Transaction  p. 47

G. Approving a Transaction that Posted Automatically to the General Ledger after 14 Days  p. 49

H. Correcting a Reviewed and Posted Transaction Using TOE (Transfer of Expense)  p. 51

I. Adjusting or Correcting Usetax on a Posted Transaction by means of a Financial Journal  p. 53
I. FLEXCARD ALLOCATION MODULE SCREENS

The FlexCard Allocation Module has three primary screens. Different functions or actions are performed on the various screens, as briefly outlined below. Detailed procedures are provided in the second section of this manual.

A. Transactions – Cardholder Summary
   Select a Department (if you fill a role in more than one department)
   Select a Cardholder (or specific card, if an individual has more than one)
   Choose the Status of the transactions to review
   Choose a Four-Month Period of transactions to be viewed
   Read Alert or Warning Messages

B. Transaction Review
   Approve a transaction (if it is to be charged to the default account)
   Adjust (if necessary) the Non-Taxable Subtotal and Freight amounts of out-of-state purchases
   Select a transaction for processing on the Transaction Allocation Screen
   Enter Comments or Disputes
   View Comments or Disputes
   View previously Approved and Reviewed transactions
   Reset the status of an Allocated transaction back to Unreviewed

C. Transaction Allocation
   Allocate a transaction to a LAFSO (or part of one) other than the default
   Split a transaction among multiple LAFSOs or object codes
   Add Low Value Number, Department Dash Number, Project Code, Cost Center or Cost Type references to a transaction
A. TRANSACTIONS – CARDHOLDER SUMMARY SCREEN

DEPARTMENT-LEVEL STATUS AND SELECTION FIELDS

A. Department: If you have privileges under more than one four-character department code (for example, someone in Housing might have RESH, DIRA and CENT), the default department selected will be your home department as entered in PPS. You can select any other department for which you are authorized by clicking on the department name field or pull-down arrow.

B. Cardholder: If you are an Allocator or Reviewer with multiple Cardholders, all the Cardholders should appear below. If not, you can select a Cardholder by clicking on either the field or the pull-down arrow. If you are a Cardholder, you can see only your own records.

C. Status: The default status selected is “PENDING REVIEW” – that is, all transactions that have not yet been reviewed.

You can choose to view a different status by either clicking on the field or the pull-down arrow:

ALL: All transactions regardless of status.

ALLOCATED: Transactions that have been allocated but not yet reviewed (i.e., not yet given final approval).

NEW: Transactions that were received in the Allocation Module on the current day. New status lasts only one day, after which it changes to Pending Review.

PENDING REVIEW: Transactions that have not yet been reviewed (i.e., approved). A transaction’s status remains Pending Review until the Reviewer selects and approves it; Pending Review status does not change when an unreviewed transaction posts to the General Ledger.

REVIEWED: Transactions that have been approved by the Reviewer.
POSTED: All transactions, including reviewed and unreviewed, which have posted to the General Ledger. Transactions, even if unreviewed, automatically post to the General Ledger 14 days after appearing in the Allocation Module. Departments could select “Posted” in order to see if any transactions with a status of U (Pending Review) or A (Allocated) have posted, since these transactions need to be reviewed within 60 days.

DISPUTED: Transactions flagged as disputed in the Comments section (a more complete explanation of Disputes is found below).

D. Four-Month Period Starting: When you log onto the system, the default selection for the beginning of the range is the prior General Ledger month (for example, in March 2006, the default selection is February 2006). If you want to see transactions prior to February 2006, change the Month and Year by either clicking the date field or the pull-down arrow. If you select December 2005, you will see transactions for the four-month period of December 2005 - March 2006.

CARD-LEVEL STATUS AND SELECTION FIELDS

E. Department: The department code for which the card has been issued. If you are an Allocator or Reviewer for multiple departments, different codes may appear in front of the listed cards.

F. Cardholder: Cardholder name as inscribed on the FlexCard and recorded in the FlexCard Management Module.

G. Description: Card description as inscribed on the FlexCard and recorded in the FlexCard Management Module.

H. Unreviewed Transactions: Number of unreviewed (both pending review and posted/not reviewed) transactions per card.

I. Oldest Unreviewed Transaction: Date that the oldest unreviewed transaction was first received in the Allocation Module.
NOTE: The default record sort order is ascending by Cardholder, starting with the first name.

If the user’s department has more than one Cardholder (Cards), the records can also be resorted by clicking on any one of the preceding five Card Level Status/Selection Fields.

The primary sort order is ascending; the user can switch the sort order to descending by clicking the up/down arrow (circled above) that appears to the right of the field name/column header.

J. Messages/Alerts/Warnings: The field will usually be blank. A yellow exclamation icon indicates an ALERT; a red icon indicates a WARNING. Position the cursor over the icon in order to view the message.

An ALERT message appears on the 13th day after a transaction appears in the Allocation Module, to alert the Reviewer that it will post automatically to the General Ledger the next day, even if not reviewed. An unreviewed, posted transaction cannot be corrected in the Allocation Module. The Transfer of Expense system (TOE) must be used to make adjustments to correct the LAFSO or adjust use tax, once a transaction has posted.

A WARNING message appears on the day an unreviewed transaction posts to the General Ledger, and remains visible until it has been reviewed.

WINDOW DISPLAY OPTIONS

K. Rows per page: The default number of rows (cards) displayed is 5. If you are an Allocator or Reviewer for more than 5 cards, you can change the default display in increments up to 50.

L. Page X of Y: If you are an Allocator or Reviewer with a large number of cards, click the page number or drop-down arrow to view additional pages and cards.
In order to select a specific Cardholder (or Card, if an individual holds more than one card) and view/allocate/approve transactions processed on that card, either:

1. double click anywhere on the row in the table on which the Cardholder (or Card) name appears; or

2. click the Check Box (M) in front of the desired Cardholder (Card) name and then click the Select button (N) at the bottom of the screen.
B. TRANSACTION REVIEW SCREEN

CARD LEVEL INFORMATION

A. Transaction Status Selection. Status of the transactions being viewed.

When you log onto the FlexCard Allocation Module, on the Transactions – Cardholder Summary Screen, the default Transaction Status is PENDING REVIEW (this umbrella status also includes New (N) and Allocated (A) transactions).

If you do not change the default status to ALL before selecting a Cardholder (Card), you can only see Pending Review transactions on the Transaction Review Screen. No selections are available if you click on the Transaction Status Selection field or pull-down arrow (A).

If you change the status to ALL on the Transactions – Cardholder Summary Screen, you can filter and view the transactions according to status (Reviewed, Allocated, Pending Review, New). For example, you can view just the current day’s NEW transactions; or, if you are a Reviewer, you can view only those transactions that have been ALLOCATED and are ready for your review and approval.

B. Department: The Department Name, as it appears in the Chart of Accounts, associated with the four-character code of the department for which the card has been issued.

C. Cardholder: Cardholder name as inscribed on the FlexCard and recorded in the FlexCard Management Module.

D. Card Description: Card description as inscribed on the FlexCard and recorded in the FlexCard Management Module.
E. **Default Account**: The default Location-Account-Fund-Sub-Object code recorded in the Management Module for the card (may be changed by Department Administrator within Management Module; LAFSO must be assigned to Department Administrator’s area of responsibility).

**TRANSACTION LEVEL INFORMATION (ALL ON LINE MARKED “F”)**

Check Box: Click on the box to the left of the transaction for which you wish to perform an action.

**NOTE**: When the Transaction Review Screen first appears, the default sort for the transactions is ascending by Transaction Date. You can resort the transactions by clicking on any of the field column headers on line F, from **Status** through **GL Total**. You can also change the sort from ascending to descending, and back, by clicking on the up/down arrow that appears next to the “sort field column header” – **Transaction Date**, in the preceding example.

**Status**: One of four statuses will appear: N (New – first day transaction received in Allocation Module), U (Pending Review, whether or not posted to General Ledger) A (Allocated but not yet Reviewed) or R (Reviewed, i.e., approved).

**Merchant Name**: Name of the merchant (vendor) with which the purchase was made.

**Transaction Date**: Date that the order was placed.

**Posting Date**: Date that the transaction posted to the General Ledger.

**Purchase ID Number**: Generally, an auto-generated number created by the merchant (may be blank); if the merchant is capable of passing a customer-provided
number and if you provided one, such as your low value and/or department reference number, that number will be appear here.

**Financial (Calculation) Fields**

**Vendor Total:** The total amount billed by the merchant to the VISA system, including any freight or sales tax amounts. This field is not modifiable.

**Taxable Subtotal:** If the merchant is from California or an out-of-state vendor that does not assess California sales tax, the Taxable Subtotal will always equal the Vendor Total (even if amounts appear in the Sales Tax and Freight fields).

If the merchant is an out-of-state vendor that does *not* assess California sales tax, the Taxable Subtotal field automatically changes, if an amount is entered into either the Non-Taxable Subtotal field or the Freight field. Once a transaction has been reviewed, the Taxable Subtotal equals the Vendor Total less the Non-Taxable Subtotal (if any) and less the Freight (if any).

**Non-Taxable Subtotal:** The field is modifiable if the merchant is an out-of-state vendor that does not assess California sales tax. If any portion of the purchase is non-taxable (for example, a software download or an optional warranty or service agreement), enter the amount in this field.

**RC (Reason Code):** If you enter an amount in the Non-Taxable Subtotal field, you must enter a reason code in this field. Double click on the field to be taken to a table of valid reason codes. Double click the appropriate reason code within the table and the code will automatically populate this field.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transaction amount includes CA sales tax</td>
</tr>
<tr>
<td>3</td>
<td>Exempt labor or service</td>
</tr>
<tr>
<td>5</td>
<td>Property purchased for resale</td>
</tr>
<tr>
<td>7</td>
<td>Property used outside CA</td>
</tr>
<tr>
<td>11</td>
<td>Prewritten computer software downloaded</td>
</tr>
<tr>
<td>13</td>
<td>Software maintenance contracts optional</td>
</tr>
<tr>
<td>17</td>
<td>Exempt database/internet services</td>
</tr>
<tr>
<td>21</td>
<td>Exempt periodical subscription</td>
</tr>
<tr>
<td>23</td>
<td>Publisher's page and color charges</td>
</tr>
<tr>
<td>25</td>
<td>Printing/distribution of sales message</td>
</tr>
<tr>
<td>27</td>
<td>Exempt test booklet/laboratory kit</td>
</tr>
</tbody>
</table>

**Freight:** The field is modifiable only if the merchant is an out-of-state vendor that does not assess California sales tax. If a freight charge does not appear in this field (few merchants break it out), enter the amount in this field.
Sales Tax: If the merchant is a California vendor, or an out-of-state vendor that assesses California sales tax, and if the merchant transmits higher-level data, any applicable California sales tax will appear in this field.

Use Tax: If the merchant is an out-of-state vendor and does not assess California sales tax, the Allocation Module will calculate Use Tax based upon the Vendor Total. The calculated amount of Use Tax may be modified, indirectly, by entering amounts into the Freight and Non-Taxable Subtotal fields: any amount entered into either of these fields reduces the Taxable Subtotal, from which Use Tax is calculated.

GL (General Ledger) Total: The Vendor Total plus Use Tax (if any): the total that will hit the General Ledger.

NOTE: If you split the Total, the subtotal amounts, not the GL Total, will appear under each account/sub/object code.

ACTION BUTTONS (ALL ON LINE MARKED “G’)

NOTE: Whether a button is displayed depends upon the user’s FlexCard role.

Approve (Reviewers): Click this button to approve all transactions selected (via the Check Box) and transfer them to the General Ledger. Once a transaction has been approved, its status changes to R (Reviewed) and it cannot be modified within the Allocation Module: if an account needs to be changed, or a charge split, etc., this must be done through TOE (see below).
Save (Allocators and Reviewers): Click this button to save any amount entered into the Non-Taxable Subtotal or Freight field: changes not saved prior to exiting the Allocation Module or when a time-out occurs (after 30 minutes of inactivity), will be lost. Also, you must use the Save button if you have entered an amount into the Non-Taxable Subtotal or Freight field and need to further distribute a charge by using the Allocate button.

**NOTE:** The status of a saved transaction does not change from U (Pending Review). If you do not complete the approval process before the 14-day window expires, the transaction will transfer to the General Ledger as originally received in the Allocation Module.

Allocate (Allocators and Reviewers): Click this button if the transaction needs to be charged to a LAFSO other than the default account shown at the top of the screen, or if it needs to be split between different accounts, or if the object code needs to be changed, or additional department codes such as cost center, project, or cost type need to be added or modified.

**NOTE:** If there are any Non-Taxable Subtotal or Freight entries, these amounts must be entered into the corresponding field and the changes saved before clicking the Allocate button.

Comments (All Users): Click this button to enter a Comment for a selected transaction (via the Check Box). You will be taken to a separate Comments screen where you can enter or modify a general comment (partial shipment, etc.), dispute (incorrect or damaged item, etc.) or return of merchandise. Once a Comment has been entered, the Merchant Name appears in red, underlined text, clearly identifying a comment associated with the transaction. To view the comment at another time, click on the red, underlined text.

Clear (Allocators and Reviewers): Click this button to clear any entries in the Non-Taxable Subtotal, Reason Code and Freight fields for all transactions selected (via the Check Box).

View (All Users): Click this button to view the selected transaction (via the Check Box) as summarized on the Transaction Allocation Screen; if the transaction has been allocated to a LAFSO other than the default account, or split between multiple LAFSOs, this information is shown on the Transaction Allocation Screen; low value and department dash numbers, project codes, cost centers and cost types are also displayed.

Reset Status (Allocators and Reviewers): Click this button to restore the original values for a selected transaction whose status is A (Allocated). Reset Status will clear any information (LAFSO, LVPA number, Department Dash Number, etc.) entered on the Transaction Allocation Screen and any amounts entered in the Non-Taxable Amount, Reason Code or Freight fields on the Transaction Review Screen. *You might use the Reset Status button if, after having entered and*
saved information on the Transaction Allocation Screen, you realize that you forgot to first enter a Freight amount on the Transaction Review Screen.

**Transfer Using TOE** (Reviewers). Click this button to modify a selected transaction whose status is R (Reviewed). You might use the Transfer Using TOE button if you realize, after having approved a transaction, the expense was charged to the wrong LAFSO. Once a transaction’s status in the Allocation Module is R, corrections cannot be made within the Allocation Module and can only be made via TOE.

**NOTE:** If a Reviewer is not authorized to use TOE-Transfer of Expense, an error message will display when this button is clicked. Please also note that TOE is unavailable during the first few days of the month, when the previous month’s General Ledger is being created.

**Back** (All Users): Click this button to return to the previous screen: Transactions – Cardholder Summary, where you can select another FlexCard for transaction processing.
C. TRANSACTION ALLOCATION SCREEN

When a transaction is selected for allocation, the Allocator or Reviewer is taken to the Transaction Allocation Screen. Certain transaction-level information is carried forward from the previous Transaction Review Screen.

TRANSACTION LEVEL INFORMATION

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cardholder: Name of the Cardholder whose transaction has been selected for allocation.</td>
<td></td>
</tr>
<tr>
<td>B. Merchant Name: Name of the merchant (vendor) from which the purchase was made.</td>
<td></td>
</tr>
<tr>
<td>C. Purchase ID Number: Generally, an auto-generated number created by the merchant (may be blank); if the merchant is capable of passing a customer-provided number and it you provided one, your low value and/or department reference number will appear here.</td>
<td></td>
</tr>
<tr>
<td>D. Transaction Date: Date that the order was placed.</td>
<td></td>
</tr>
<tr>
<td>E. Reference Number: A tracking number generated by the FlexCard Allocation Module; for system maintenance only.</td>
<td></td>
</tr>
<tr>
<td>F. GL Total: The total that will hit the General Ledger. The total of all allocated lines must equal the GL Total.</td>
<td></td>
</tr>
</tbody>
</table>
Check Box: The Check Box must be used in order to perform the “Delete Line(s)” action described below. No other action requires use of the Check Box.

Low Value Number: 6-digit low value number. When a valid low value number for the user’s department is entered, the default Location-Account-Fund-Sub-Object code and associated department codes, such as cost center, project, and cost type, are automatically updated to match those assigned to the Low Value Number.

**NOTE:** A user may enter any kind of department reference number in this field (up to six characters) and that number will be transferred to the General Ledger, appearing in the **PO or Ref No** field; however, only a valid low value number for the user’s department will update the LAFSO.

Dept. Dash Number: Up to 6-character department dash number, added by some departments as a higher level tracking mechanism. No validation is performed and any alphanumeric entry will be transferred to the General Ledger, appearing in the **Dept Req No** field.

Loc: Either 8 or Q.

Account: 6-digit account number. Only open account numbers assigned to the user’s department can be entered. A department cannot charge expenses to another department’s accounts.

Fund: 5-digit fund number. Only open fund numbers assigned to the user’s department can be entered.

Sub: Subs 3, 4, 5 and 7 can be used in the FlexCard Allocation module.

Object: Object code for the expense.
NOTE: If you are not certain which object code is correct for the purchase, double click on the Object Code field on the expense distribution line and you will be taken to an Object Code table.

The 17 most frequently used object codes appear at the top of the table, in numeric order. If the object code that corresponds to your purchase does not appear on this “quick” list, the entire object code table follows.

When you find the correct object code, double click on it and it will populate the object code field on the expense distribution line.

Cost Center: If used by your department, enter the appropriate cost center here (maximum of 4 alphanumeric characters).

Project (Code): If used by your department, enter the appropriate project code here (maximum of 6 alphanumeric characters).

Cost Type: If used by your department, enter the appropriate cost type here (maximum of 5 alphanumeric characters).

GL Total: The amount being charged to the LAFSO on the expense distribution line. If an expense is distributed over several lines, the total of all lines – the “Total Amount Allocated” that appears below the table – must equal the original or “control” GL Total that appears above the table in the Transaction Level information.
ACTION BUTTONS (ALL ON LINE MARKED “H’)

NOTE: Whether a button is displayed depends upon the user’s FlexCard role.

Save (Allocators and Reviewers): Click this button to save any modifications entered on the Transaction Allocation Screen, if (1) you are an Allocator (the Approve button is not available to Allocators) or (2) if you are an Allocator or Reviewer who cannot complete the allocation process and want to save your in-progress work in order to complete it later.

Clone Line (Allocators and Reviewers): Click this button to copy (clone) the default (first) expense distribution line, rather than re-type the LAFSO information. Even if you select another line (using the Check Box) and click “Clone Line,” the default line will always be the one cloned.

NOTE: Any information that you have entered into the Low Value Number, Department Dash Number, Cost Center, Project Code and Cost Type fields will also be copied when you click the “Clone” button.

Add Line (Allocators and Reviewers): Click this button if you have used all five expense distribution lines and need to add additional lines to complete allocating an especially complicated purchase.

Delete Line(s) (Allocators and Reviewers): Click this button to delete any expense distribution lines (selected by using the Check Box) that you decide are not appropriate: this method is faster than deleting information field by field within a distribution line.

Approve (Reviewers only): Click this button to approve an allocation and transfer all expense distribution lines to the General Ledger. You do not need to click “Save” before clicking “Approve.”

Back (Allocators and Reviewers): Click this button to return to the previous Transaction Review Screen.
II. FLEXCARD ALLOCATION MODULE PROCEDURES

A. Logging onto the FlexCard Allocation Module

The FlexCard Allocation Module is housed within the Espresso Single Sign-On environment.

1. Log onto Espresso using your UCSBnetID and password.

   ![Image of UCSB Espresso Sign In](image)

   In order to participate in the FlexCard program, all users (except Department Administrators who play no other role such as Reviewer) have to pass the appropriate exam, taken within the FlexCard Management Module. Since the UCSBnetID and password are required to log onto the Management Module, all users must already have them set up before logging onto the Allocation Module.

   If you do not have a UCSBnetID and password (perhaps if you are a Department Administrator with audit privileges), go to the UCSB Directory Service homepage at: [https://titan.isc.ucsb.edu/ldap/](https://titan.isc.ucsb.edu/ldap/) for instructions on setting up a UCSBnetID and password.

2. Select the FlexCard Allocation Module by clicking FlexCard

   ![Image of Espresso Navigation](image)

3. You are taken to the Transaction – Cardholder Summary Screen.
B. Selecting a Card (Cardholder)

No allocation of expense occurs on the Transaction – Cardholder Summary Screen, whose primary functions are related to the selection of the records to be viewed and/or allocated and reviewed.

In order to select a specific Cardholder (or Card, if an individual holds more than one) and view/allocate/approve transactions on that card, either:

1. double click anywhere on the row in the table on which the Cardholder (or Card) name appears; or

2. click the Check Box (A) in front of the desired Cardholder (Card) name and then click the Select button (B) at the bottom of the screen.
C. Processing Transactions on the Transaction Review Screen

The types of actions that can be performed in the FlexCard Allocation Module vary according to a user’s role within the FlexCard system. Certain actions can be performed by all users, while others are limited to users with Allocator or Reviewer authorizations.

The sample screens have been created by the FlexCard Administrator, who has full authorization for performing all levels of transactions. Some of the action buttons displayed at the bottom of the Transaction Review Screen are not available to Cardholders and/or Allocators.
1. **Viewing a Transaction (All Users)**

Any transaction, regardless of status, can be selected for viewing.

a. On the **Transaction Review Screen**, click the check box to the left of the transaction and then click the VIEW button.

b. You are taken the Transaction Allocation Screen. If multiple distribution lines were created, all of them are displayed, together with any Low Value Number, Department Dash Number, Project Code, etc. entries.

c. Click the BACK button to return to the **Transaction Review Screen** and to select another transaction for viewing, allocating or reviewing.
2. **Adding a Comment or Dispute to a Transaction (All Users)**

A Comment (General Comment, Dispute, Return) can be added to any transaction, regardless of status.

a. On the **Transaction Review Screen**, select the transaction to which you want to add a comment by clicking the check box to the left of it and then clicking the COMMENTS button.

b. The Comments box opens in a separate window.

c. Indicate the type of comment that you wish to enter by checking either the Comment, Dispute or Return box.

d. Type your comment in the text box.
e. Click the SAVE button.

**NOTE**: If you do not click SAVE before you exit, no comment will be created.

If you click CLOSE, you will be returned to the Transaction Review Screen and no comment will be created.

The DELETE button can only be used before a comment is saved. It will not delete a saved comment; it will only delete (clear) text if you have not yet saved the comment.

iv. You are returned to the Transaction Review Screen. If a transaction has a comment, the Merchant Name appears in red underlined text.
3. **Approving a Transaction (Reviewers)**

A transaction can be approved on the Transaction Review Screen if the purchase is to be charged to the default LAFSO set up for the FlexCard. The simplest type of approval involves no adjustments to Freight or the Non-Taxable Subtotal.

a. Select the transaction by clicking the Check Box to the left of it.

b. Click the APPROVE button.

c. A pop-up window informs you of the successful approval.

d. Click OK to clear the pop-up window and return to the Transaction Review Screen.

If (on the Transactions – Cardholder Summary Screen) you had selected “ALL” for the status of the transactions that you want to view, the transaction will appear with a status of **R (Reviewed/Approved)**:
If you had not changed the default status selection from “Pending Review” on the Transactions – Cardholder Summary Screen, the transaction will not appear on a now shortened list of transactions whose status is either N (New), U (Pending Review) or A (Allocated but not yet Reviewed/Approved). See below.

You can now proceed with further transactions.
4. **Approving Multiple Transactions (Reviewers)**

Multiple transactions can be approved on the Transaction Review Screen if all the purchases are to be charged to the default LAFSO set up for the FlexCard.

a. Select the transactions by either clicking the Check Boxes to the left of all the appropriate transactions, or, if every transaction on the page is to be approved, by clicking the **"Select All" Check Box** on the row of Transaction Level Column Headers. When this box is checked, all check boxes in front of individual transaction rows are automatically checked.

b. Click the **APPROVE** button.

c. A pop-up window informs you of the successful approval.
5. Adjusting the Freight Amount for a Purchase Made with an Out-of-State Merchant (Allocators and Reviewers)

If a purchase has been made with an out-of-state merchant that does not collect California sales tax, the FlexCard Allocation Module calculates Use Tax for you. However, the Allocation Module calculates Use Tax based upon the Vendor Total (the total charge billed by the merchant) and the Vendor Total may include freight or other non-taxable items.

If a transaction includes freight charges, you can adjust the calculated Use Tax by entering the Freight amounts into the appropriate field, which is open for entry whenever the merchant is out-of-state and does not collect California sales tax.

**NOTE:** The Non-Taxable Subtotal and Freight fields are NOT open for California merchants and out-of-state merchants that collect California sales tax, because they are responsible for all tax collection. If a charge from one of these merchants contains a tax error, you must resolve it by working with the vendor and obtaining a corrected invoice or credit invoice.

The following example shows the procedure for entering a Freight charge for a purchase made with an out-of-state merchant, when the transaction is to be charged to the FlexCard’s default account.

In this case, the merchant is Sportline; the **Vendor Total** is **$201.75**. The Vendor Total is considered to be the **Taxable Subtotal** (also **$201.75**) to which the FlexCard Module adds **$15.64** in Use Tax (calculated at 7.75% - the Santa Barbara County sales tax rate) for a **GL Total** of **$217.39**.

However, based on your receipt or billing statement, the Vendor Total includes a $7.50 freight charge, which is non-taxable.
a. Select the transaction by clicking the Check Box in front of it and enter the **$7.50 Freight Charge** into that field:

Once the $7.50 is entered in the Freight field, the **Taxable Subtotal** is reduced to **$194.25** ($210.75 - $7.50 = $194.25), the **Use Tax** is recalculated to **$15.05** ($194.25 x 7.75%) based upon removing tax from $7.50 of the Vendor Total, and the **GL Total** is recalculated to **$216.80** (Adjusted Taxable Subtotal + Freight + Use tax):

b. Click the **SAVE** button (if you are an Allocator). A pop-up window informs you that the modification has been saved successfully.

c. Click the **APPROVE** button (if you are a Reviewer). A pop-up window informs you of the successful approval.

d. Click OK to clear the pop-up window and return to the **Transaction Review Screen**.
6. **Adjusting the Non-Taxable Subtotal for a Purchase Made with an Out-of-State Merchant (Allocators and Reviewers)**

If a purchase has been made with an out-of-state merchant that does not collect California sales tax, the FlexCard Allocation Module calculates Use Tax for you. However, the Allocation Module calculates Use Tax based upon the Vendor Total (the total charge billed by the merchant) and the Vendor Total may include freight or other non-taxable items.

If a transaction includes any non-taxable items, you can adjust the calculated Use Tax by entering the Non-Taxable amount into the appropriate field, which is open for entry whenever the merchant is out-of-state and does not collect California sales tax.

**NOTE:** The Non-Taxable Subtotal and Freight fields are NOT open for California merchants and out-of-state merchants that collect California sales tax, because they are responsible for all tax collection. If a charge from one of these merchants contains a tax error, you must resolve it by working with the vendor and obtaining a corrected invoice or credit invoice.

The following example shows the procedure for entering a Non-Taxable Subtotal for a purchase made with an out-of-state merchant, when the transaction is to be charged to the FlexCard’s default account.

In this case, the merchant is Arrowhead Water; the **Vendor Total** is $8.21. The Vendor Total is considered to be the **Taxable Subtotal** (also $8.21) to which the FlexCard Module adds $0.64 in **Use Tax** (calculated at 7.75% - the Santa Barbara County sales tax rate) for a **GL Total** of $8.85.

This entire transaction is non-taxable: while the merchant’s billing address is in Arizona, it has business locations in California and collects California sales tax, as seen on the billing statement that corresponds to this transaction.
a. Select the transaction by clicking the Check Box in front of it and enter the Non-Taxable Subtotal into that field:

Once the $8.21 is entered in the Non-Taxable Subtotal field, the **Taxable Subtotal** is reduced to $0.00 ($8.21 - $8.21 = $0.00), the **Use Tax** is recalculated to $0.00 and the **GL Total** is recalculated to $8.21 (equal to the Vendor Total):

b. If, at this point, you click either the SAVE or APPROVE button, an error message will be displayed:

Any time an amount is entered into the Non-Taxable Subtotal field, a valid Reason Code must be entered. Departments cannot simply remove all Use Tax because they do not wish to pay it. Use Tax can only be adjusted if all or part of a transaction is legitimately non-taxable (for example, if the out-of-state merchant had already billed California sales tax, if the charge was for a software download with no deliverable, etc.).

In order to enter a Non-Taxable Amount Reason Code, double-click on the **Reason Code (RC)** field immediately to the right of the Non-Taxable Amount field.
c. A pop-up window displays a listing of the most common reasons for which a transaction could be exempt from use tax. Double click anywhere on the row displaying the appropriate reason code (in the following example, Code 1 – “Transaction amount includes CA sales tax”).

![Reason Codes Table]

d. You are returned to the Transaction Review Screen and the Reason Code has populated the RC field.

e. Click the SAVE button (if you are an Allocator). A pop-up window informs you that the modification has been saved successfully.
f. Click the **APPROVE** button (if you are a Reviewer). A pop-up window informs you of the successful approval.

g. Click OK to clear the pop-up window and return to the **Transaction Review Screen**.
D. Processing Transactions on the Transaction Allocation Screen

The types of actions that can be performed in the FlexCard Allocation Module vary according to a user’s role. Certain actions can be performed by all users, while others are limited to users with Allocator or Reviewer authorizations.

The sample screens have been created by the FlexCard Administrator, who has full authorization for performing all levels of transactions. Some of the action buttons displayed at the bottom of the **Transaction Allocation Screen** are not available to Allocators.

In order to perform any action on the **Transaction Allocation Screen**, the transaction must first be selected on the **Transaction Review Screen** by clicking the Check Box in front of it and clicking the ALLOCATE button.

You are taken to the **Transaction Allocation Screen**, where all the default LAFSO information appears, in addition to any department codes such as cost center, project, or cost type.
7. **Changing an Object Code (Allocators and Reviewers)**

Sometimes, the only change that needs to be made when allocating and approving a transaction is the object code.

In the following example, an anti-virus software download has been purchased and is to be charged to the FlexCard's default account – 8-661540-19900-3. The default account object code, however, is not correct and must be changed.

a. After having selected the transaction on the *Transaction Review Screen*, you are taken to the *Transaction Allocation Screen*, where all of the default account information appears, including object code 8000.

b. If you know the correct object code for software, you can type it directly into the field, overwriting the default 8000.

c. If you do not know the object code, double click anywhere in the object code field and an object code table appears, as shown below.

The 17 most frequently used object codes appear at the top of the table, in numeric order. If the object code that corresponds to your purchase does not appear on this “quick” list, the entire object code table follows.
d. When you find the correct object code, double click on it.

![Object Codes Table]

- Code: 1000  Description: Non-Inventorial Equip $200-1499
- Code: 1020  Description: Non-Inventorial Equip $1,500-4,999
- Code: 9810  Description: Fabrication Cost

The selected object code populates the object code field on the Transaction Allocation Screen.

![Transaction Allocation Screen]

f. Once all changes have been made, you can either click the SAVE button (if you are an Allocator, or if you are a Reviewer not yet ready to give final approval to the transaction), in which case a pop-up window displaying a “Successfully Saved” message appears:

![Pop-up Window]

Or, if you are a Reviewer and certain that the allocation is correct, you can click the APPROVE button to transfer the allocated expense to the
General Ledger. In this case, a pop-up window displaying a “Successfully Submitted” message appears:

![Pop-up window](image)

**NOTE:** If you are a Reviewer and click SAVE, you are taken to a screen on which your options are limited to ALLOCATE and BACK. You will need to click ALLOCATE to be returned to the version of the Transactions Allocation Screen on which the APPROVE button is again available. Generally, Reviewers should only use the SAVE button if they want to save an in-progress transaction which might be lost when the Allocation Module times out in 30 minutes.
8. **Changing an Entire LAFSO (Allocators and Reviewers)**

a. After having selected the transaction on the *Transaction Review Screen*, you are taken to the *Transaction Allocation Screen*, where all of the default account information appears:

   ![Transaction Allocation Screen](image)

   - You can change any part of the LAFSO by clicking on the appropriate field (Location, Account, Fund, Sub, Object Code) and overwriting the default entry with the correct information.

   - Or, in many cases, you can use a shortcut: if you enter one of your department’s authorized **Low Value Numbers**, the LAFSO will be automatically updated to the one assigned to the LVPA.

   In the following example, **LVPA 017003** has been entered in the Low Value Number field. The fund number has automatically been updated from 19900 to **75041**, the fund assigned to the LVPA.

   ![Updated LAFSO](image)

b. You can change any part of the LAFSO by clicking on the appropriate field (Location, Account, Fund, Sub, Object Code) and overwriting the default entry with the correct information.

   - Or, in many cases, you can use a shortcut: if you enter one of your department’s authorized **Low Value Numbers**, the LAFSO will be automatically updated to the one assigned to the LVPA.

   In the following example, **LVPA 017003** has been entered in the Low Value Number field. The fund number has automatically been updated from 19900 to **75041**, the fund assigned to the LVPA.

   ![Updated LAFSO](image)

c. If used by your department, Department Dash Number, Cost Center, Project Code and Cost Type information can be entered into the appropriate fields.
d. Once all changes have been made, you can either click the **SAVE** button (if you are an Allocator, or if you are a Reviewer not yet ready to give final approval); or, if you are a Reviewer and certain that the allocation is correct, you can click the **APPROVE** button to transfer the allocated expense to the General Ledger.
9. **Split-Funding A Transaction ( Allocators and Reviewers) (Using the “Clone a Line” Feature)**

Transactions may be allocated among multiple lines on the **Transaction Allocation Screen**.

Some transactions may need to be split between object codes (a $1,600 laptop – object code 8120 – that comes with a $200 warranty/maintenance agreement – object code 7260) or, as in the following example, between multiple LAFSOs.

**NOTE:** Expenses can be distributed to any LAFSO owned by the department for which you are allocating or reviewing. If you wish to split-fund a purchase with a department outside of your authorization, the charge must be approved on one of your department LAFSOs and then a partial transfer to the other department processed by using the Transfer of Expense (TOE) system.

a. After having selected the transaction on the **Transaction Review Screen**, you are taken to the **Transaction Allocation Screen**, where all of the default account information appears on the **“Source Transaction” Line**.

This Source Transaction Line is followed by 5 “Expense Redistribution” lines onto which the original transaction can be split. You can type in the LAFSO information on these lines, but a short cut is available: Click the **CLONE LINE button**.

b. All of the information entered on the Source Transaction line is copied onto the first of the Expense Distribution lines.

**NOTE:** If, before cloning the line, you enter a Low Value Number, Department Dash Number, Cost Center, Project Code or Cost Type on the Source Transaction line, all of this information is also copied to the new Expense Distribution line.

The **CLONE LINE button** always copies the Source Transaction line; it does not copy a cloned line, even if selected by using the Check Box.
c. When a line is cloned, the **GL Total** on the new Expense Distribution line is **0.00**.

![Expense Distribution Table Example](image1)

**NOTE**: The Source Transaction GL Total cannot be directly modified: it is reduced by the amount entered onto the Expense Distribution lines. In the preceding example, $147.50 was entered onto the first distribution line, reducing the amount on the Source Transaction line to $147.50.

If a second Expense Distribution line is created, and a further $50.00 entered, the original Source Transaction line is further reduced, to **$97.50**:

![Expense Distribution Table Example](image2)
Once the expense has been allocated, you can either click the **SAVE** button (if you are an Allocator, or if you are a Reviewer not yet ready to give final approval); or, if you are a Reviewer and certain that the allocation is correct, you can click the **APPROVE** button to transfer the allocated expense to the General Ledger.

**NOTE:** The **Total Amount Allocated** on the Expense Distribution lines cannot exceed the original **GL Total** for the transaction that appears in the dark gray-shaded area above the Source Transaction and Expense Distribution lines.

If you enter an amount greater than the original GL Total on one or more of the Expense Distribution lines, it at first appears that the Allocation Module is allowing this to happen by changing the Source Transaction into a negative number.

But, if you attempt to **SAVE** or **APPROVE** the preceding allocation, an error message appears in a pop-up window.

You must click **OK**, return to the **Transaction Allocation Screen** and correct the “over-allocation” before you can **SAVE** or **APPROVE** the allocated transaction.
10. **Deleting an Expense Distribution Line (Allocators and Reviewers)**

If an expense distribution line is created in error, all of the information can be deleted by spacing through whatever has been entered in the fields on the line.

The easiest method of correcting the situation, however, is to use the DELETE LINE(S) button.

a. Select the expense distribution line (or lines) to be deleted by clicking the Check Box in front of it and clicking the DELETE LINE(S) button.

b. No pop-up window appears to ask you to confirm the deletion: the selected line (or lines) is immediately deleted.
E. Processing Transactions on both the Transaction Review and Transaction Allocation Screens (Allocators and Reviewers)

The procedures outlined under the previous Sections C. and D. were performed on either the Transaction Review Screen OR the Transaction Allocation Screen.

Some procedures need to be carried out, sequentially, on BOTH the Transaction Review Screen and Transaction Allocation Screen. This situation occurs when three factors coincide:

1. the purchase is made with an out-of-state merchant that does not assess California sales tax;
2. an adjustment needs to be made to either the Non-Taxable Subtotal or Freight amounts; and
3. the expense is to be charged to an account other than the FlexCard default account.

In this situation, adjustments must be made to the Non-Taxable Subtotal and/or Freight amounts, on the Transaction Review Screen, and saved. Then, the transaction is selected for processing on the Transaction Allocation Screen, where the allocation to a LAFSO other than the default account is made.

a. Select the transaction and make any necessary adjustments in the Non-Taxable Subtotal or Freight fields. In the following example, a freight charge of $24.84 has been entered, reducing/correcting the initial $82.53 calculated Use Tax to $80.60.
b. Click the **SAVE** button, in order to save the changes entered into the Freight field before you proceed with the allocation.

**NOTE:** If you click **APPROVE**, instead of **SAVE**, you have given final approval to the transaction and have transferred it to the General Ledger. The only way that you can now correct the LAFSO will be via a Transfer of Expense using TOE. (Procedure explained below.)

c. A pop-up window appears if the transaction has been successfully saved.

d. Next, click the **ALLOCATE** button.

**NOTE:** If you forget to save before clicking the **ALLOCATE** button, a warning message appears in a pop-up window.
e. You are taken to the **Transaction Allocation Screen**.

![Transaction Allocation Screen](image)

f. Make all necessary changes to the LAFSO and, if used by your department, enter Low Value Number, Department Dash Number, Cost Center, Project Code and Cost Type information as appropriate.

![Transaction Allocation Screen](image)

g. Once the expense has been allocated, you can either click the **SAVE** button (if you are an Allocator, or if you are a Reviewer not yet ready to give final approval); or, if you are a Reviewer and certain that the allocation is correct, you can click the **APPROVE** button to transfer the allocated expense to the General Ledger.
F. Resetting the Status of an Allocated Transaction
(Allocators and Reviewers)

If you realize, after having saved an allocated transaction, that some sort of error has occurred – perhaps you allocated it to the wrong LAFSO, or forgot to make a Non-Taxable Subtotal or Freight adjustment on the Transaction Review Screen before proceeding to the Transaction Allocation Screen – you can still modify the allocated transaction, AS LONG AS IT HAS NOT BEEN APPROVED.

You can reset the transaction back to the default settings as they appeared when it first appeared in the Allocation Module. This is done by using the RESET STATUS button on the Transaction Review Screen.

a. Select the transaction by using the Check Box and click the RESET STATUS button.

b. A confirmation pop-up window appears, reminding you that any saved allocations (including Low Value Numbers and split transactions) will be lost as part of the process and asking if you want to proceed. Click OK.

c. A pop-up window displaying a “Status Changed Successfully” message appears. Click OK to continue.
d. You are returned to the Transaction Review Screen. The Transaction Status has returned from A (Allocated) to U (Not Reviewed).

e. You can now proceed to modify the transaction (enter a Non-Taxable or Freight amount, proceed directly to the Transaction Allocation Screen to enter the correct LAFSO, etc.)

**NOTE:** You can only use RESET STATUS with transactions whose status is A (Allocated). If you attempt to use it with a transaction whose status is N (New) or U (Not Reviewed), the following error message is displayed:

```
Microsoft Internet Explorer

Line #5: Only transactions with status equals [C]an be selected.

OK
```

If you attempt to use the RESET STATUS button with a transaction whose status is R (Reviewed), the following error message is displayed:

```
Microsoft Internet Explorer

Line #5: Only transactions with status equals [C]an be selected. Therefore, its status cannot be changed.

OK
```

Reviewed (posted) transactions can be re-allocated only by using the Transfer of Expense (TOE) system, the procedure outlined below.
A transaction will automatically post to the FlexCard’s default LAFSO 14 days after having been received in the Allocation Module, even if it has not been reviewed. An email notification will alert the FlexCard Cardholder and Reviewer that an unreviewed transaction has posted to the General Ledger.

If such a situation occurs (perhaps because the Reviewer was on vacation), the posted, unreviewed transaction must still be reviewed, **even if the FlexCard’s default LAFSO was appropriate for the charge**.

1. Verify that the goods or services have been received, as with any other FlexCard transaction.

2. Log onto the Allocation Module and select the appropriate FlexCard.

3. On the **Transaction Review Screen**, select the transaction by using the Check Box. In the following case, the VoyagerSoft LLC charge.

   ![Image of Transaction Review Screen]

   **NOTE**: An unreviewed transaction that has posted to the General Ledger is easily identified by the combination of two factors: The transaction has a Posting Date (in this case, 02/16/2006) with a Status of either U (Not Reviewed) or A (Allocated).

4. Click the APPROVE button.
5. A pop-up window displaying a “Status Changed Successfully” message appears. Click OK to continue.

6. If you have selected to view transactions with all statuses, the transaction status now appears as R (Reviewed).

7. If you have selected to view only unreviewed transactions, the transaction will disappear from the Transaction Review screen.

8. Further actions may still need to be performed.
   a. If the transaction should have been charged to another LAFSO, you will need to make the correction by using the Transfer of Expense (TOE) system, as described in the following Section H.
   b. If an inappropriate Use Tax charge was assessed on a transaction with an out-of-state vendor, you will need to process a use tax reversal by using a Financial Journal, as described in the following Section I.
If you realize that an allocation error has occurred, after a transaction has been reviewed, the correction can only be processed in TOE (Transfer of Expense). The transaction must not only have been reviewed but also must have posted to the General Ledger. Normally, a transaction posts the day after it is reviewed in the FlexCard Allocation Module. At the beginning of each month, when the General Ledger is closed for production of the preceding month’s ledger, transactions may not posted until the 4th or 5th working day of the month.

1. To change the allocation of a reviewed and posted FlexCard transaction, select the transaction on the Transaction Review Screen by using the Check Box in front of it clicking the TRANSFER USING TOE button.

NOTE: The TRANSFER USING TOE button only appears if the user is an Allocator or Reviewer.

If you are an Allocator or Reviewer who does not have TOE privileges (as either a Preparer or Approver) and click the TRANSFER USING TOE button, you will not be able to access the system. An error message will be displayed, informing you that “YOU DO NOT BELONG TO ANY VALID TOE SECURITY GROUP.”
2. If you have TOE privileges, you are launched directly into TOE.

The source transaction that appears in TOE is the allocated FlexCard transaction: in this case, an expense re-distributed to LAFSO 8-661540-75041-5-8000, not the default LAFSO 8-661540-19900-3-8000.

3. Proceed as you would when preparing any TOE transfer of expense.

**NOTE:** Any FlexCard transaction can be transferred by logging directly onto TOE and searching for Type Entry 46 (FlexCard) transactions during the appropriate General Ledger month. You do not need to select the transaction from within the FlexCard Allocation Module.
I. Adjusting or Correcting Use Tax on a Posted Transaction by means of a Financial Journal

Occasionally, a transaction with an out-of-state merchant (vendor) may post to the General Ledger with an inappropriate Use Tax charge, either because Use Tax was not corrected at the time that the transaction was reviewed or because an unreviewed transaction automatically posted to the General Ledger after 14 days.

The inappropriate Use Tax needs to be reversed, either partially (the Vendor Total included non-taxable Freight charges or a portion of the total charge was non-taxable) or entirely (the out-of-state vendor had assessed California Sales Tax or the entire transaction was non-taxable).

Use Tax Reversals are processed by using the following procedure.

1. Identify the problem (an actual case is being used to illustrate the process):

Business Services purchased (on behalf of Housing & Residential Services) from an out-of-state vendor, Jelliroll, 3 boxes of “Golden Grips Chef Knives,” as part of the campus Injury Reduction Program. Shipment was delayed and, as the 14-day window for reviewing the transaction closed, the Reviewer had not received proof of delivery.

The transaction passed, unreviewed and with incorrect Use Tax charges of $85.46 added, to the General Ledger, as illustrated in the following snapshot taken from the FlexCard Allocation Module.

Delivery was eventually made and the following packing slip / paid invoice provided to the Reviewer.
The invoice (like the original order documentation) clearly shows that the Vendor Total of $1,102.75 includes $77.35 in California Sales Tax (7.75% of the $998.00 cost of the knives) plus $27.40 in shipping and handling (freight) charges. Use Tax, therefore, should not have been added to the Vendor Total.

2. Calculate the amount of the Use Tax Reversal.
   a. If the entire transaction was exempt from Use Tax, the amount entered in the Use Tax field in the Allocation Module is the amount of the Use Tax Reversal: in the current case, $85.46 (equals 7.75% of the Vendor Total of $1,102.75).
   b. If only a portion of the transaction was exempt (for example, in a case where the Vendor Total includes non-taxable Shipping charges), calculate the amount of the Use Tax Reversal on the exempt portion only.

   For example, if a purchase included $15.75 in shipping charges, the amount of the Use Tax Reversal would be $15.75 x 0.0775 = $1.20.

3. Prepare a Financial Journal – Use Tax Reversal (the sample appears on the next page of the Manual), modified according to the following instructions.
A. Do not change the STATE USE TAX account number (8-115520) on Line 6.

B. For the description on this line, use the format "Usetx Reversal + Department Financial Code (BUSS in this case; PHYS for Physics, etc.)

C. Enter the amount of the Use Tax Reversal on this line in the debit column.

D. Enter the last day of the current General Ledger month, in the format MMDDYY (063006 in this case) in shaded Cell O6.

**NOTE:** Once the date is entered in this cell, it will fill down in all other cells in Column O and update the General Ledger Month that appears in Column P and in Cell K3 (Jun-2006, in this case).

E. Enter information related to the department account on which you want the Use Tax Reversal to appear on Line 7:

   i. Account Name (generally the Department Name) - Cell A7

   ii. LAFSO – Cells B through F

   **NOTE:** Not necessarily the default LAFSO: it should be the LAFSO to which the transaction was allocated (or should be if a TOE is needed).

   iii. Enter a description of the transaction in Cell G7. A suggested format is "Rev + Vendor Name + Usetx" – in this case, "Rev Jelliroll Usetx."

   iv. Enter the amount of the Use Tax Reversal in the credit column – Cell L7. This amount must be the same as entered in the debit column – Cell K6.
(If the credit is split over multiple LAFSOs, the total must equal the amount in Cell K6.)

**NOTE:** The Debit and Credit Totals on Line 16 must be the same.

F. Do not change the standard Explanation – “Correcting FlexCard Use Tax overpayment” – that appears in Cell A18.

G. In the gray-shaded area on Line 23, check either the “Complete Use Tax Reversal” box or the “Partial Use Tax Reversal” box, as appropriate.

H. In the blue shaded area immediately below, check the box next to the appropriate reason for which Use Tax is not owed. In this case, because the Transaction amount includes California Sales Tax.

If necessary, you can enter further identifying information related to the department LAFSO credit in the following fields:

I. Low Value Number - Column H (will appear on the GL)

J. Department Dash Number – Column M (will appear on the GL)

K. Cost Center – Column S

L. Cost Type – Column T

M. Project Code – Column U

N. Program – Column V

4. Submit the completed Financial Journal, as an email attachment, to Asger Pedersen (asger.pedersen@accounting.ucsb.edu) in Accounting Services & Controls.

5. Print the Financial Journal and have it signed by the appropriate individual(s) in your department.

6. Make a copy of the signed Financial Journal to retain for your department’s FlexCard documentation file. It should be attached to the original order and payment documentation for the transaction whose Use Tax is being adjusted.
7. Send the **original copy** of the Financial Journal to Asger in Accounting (Mail Code 2040). Be sure to attach a copy of the documentation that supports the fact that Use Tax should not have been paid.

The documentation will usually take the form of a paid invoice, or order confirmation, showing that (1) California sales tax had been included by the out-of-state merchant as part of its charge or (2) that all or a portion of the charge was non-taxable (freight, a non-taxable item such as a software download with no deliverable, an optional warranty or maintenance agreement, etc.).

Asger will not process the Use Tax Reversal until he receives the signed original Financial Journal and documentation.

8. Remember, if the inappropriate Use Tax charge arose as a result of an unreviewed transaction automatically posting to the General Ledger after 14 days:

   a. the transaction must still be reviewed (approved), as described in Section G. of the Manual; and

   b. a Transfer of Expense (TOE) may be needed, if an unreviewed transaction posted to the wrong LAFSO, per the procedure described in Section H. of the Manual.